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AGRICULTURAL OUTLOOK CANADA

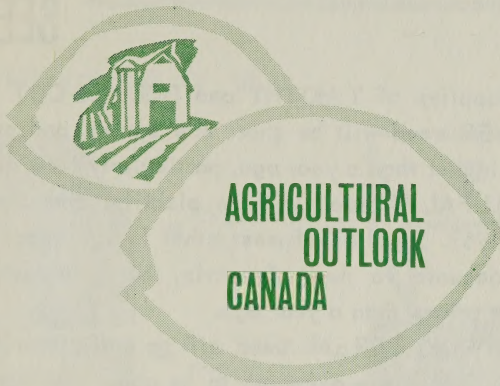
spring '64

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ECONOMIC PROSPECTS

A high level of economic growth is in prospect for Canada in 1964. The country's total output, as measured by the gross national product, is expected to increase by about six percent over 1963.

Capital spending by all sectors of the economy should reach \$10.1 billion, eight percent more than last year. Such an expenditure will help to maintain a high rate of growth. This, coupled with an increase in consumer spending, points to a strong domestic demand for Canadian farm products throughout the year.

Exports of both farm and non-farm products are expected to expand in 1964. Given average weather, plus the heavy shipments from the 1963 wheat crop, farm cash income should rise well above the \$3.2 billion received last year.

SEEDS

Supplies of TIMOTHY and DOUBLE-CUT RED CLOVER seed will be short this spring, and prices much higher than a year ago, particularly for timothy.

ALFALFA seed will be plentiful and cheaper than 1963. Supplies of most other forage seeds will be adequate to meet demands, but generally at higher prices than a year ago.

SPRING CEREAL seed will be sufficient for all areas. Prices are expected to be about the same as in 1963.

DAIRY PRODUCTS

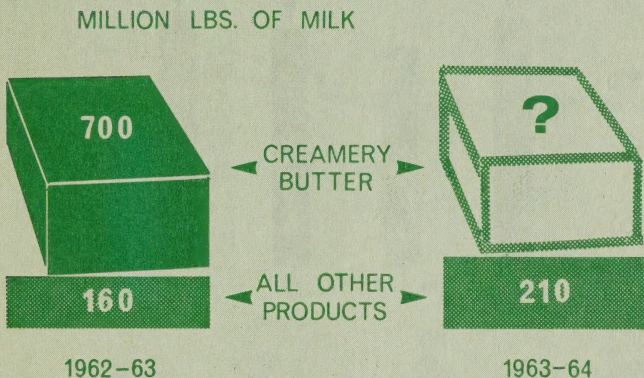
MILK output is expected to change only slightly from that of 1963. However, more will be utilized as fresh fluid milk, cheddar cheese, ice cream and concentrated products, and less as butter.

CHEDDAR cheese production may increase by eight to ten million pounds, and there is a larger market for aged mature Canadian cheddar in Britain.

Fluid milk consumption is expected to gain by 100 million pounds, ice cream will take at least 30 million pounds more milk, cheese 75 million, and concentrated products five million. The total amount diverted will be 210 million pounds in 1964.

If creamery butter sales can be maintained, or even increased a little, stocks will be reduced. However, this depends largely upon producers. If milk production rises, there could easily be a surplus again in view of the small growth in demand for milk in forms other than butter (see chart).

HOW MUCH MORE MILK WILL WE USE IN 1964?



EIGHT OUT OF 10 POUNDS OF EXTRA MILK CONSUMED IN 1963 WAS IN THE FORM OF BUTTER. MUCH WILL DEPEND AGAIN ON BUTTER CONSUMPTION THIS YEAR.

EGGS and POULTRY

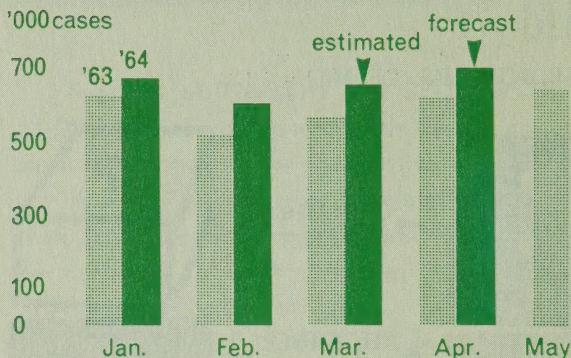
More EGGS and lower prices are expected this spring and summer compared with last.

The number of chicks added to the laying flock increased in each month from June to February over the same month of 1962-63. The result was 11 per-cent more eggs laid this January and February than a year before.

February prices to producers for Grade A Large averaged 35.6 cents a dozen at Toronto compared with 41 cents in February 1963.

BROILER CHICKEN stocks are ample and placements are up. Look for more broilers and lower prices in the spring and early summer compared with 1963.

EGGS MARKETED THROUGH REGISTERED STATIONS



THE LARGER SUPPLIES OF EGGS THIS YEAR POINT TO LOWER PRICES IN THE SUMMER.

London, Ontario, prices to producers averaged 18.5 cents a pound in February; one cent less than a year before.

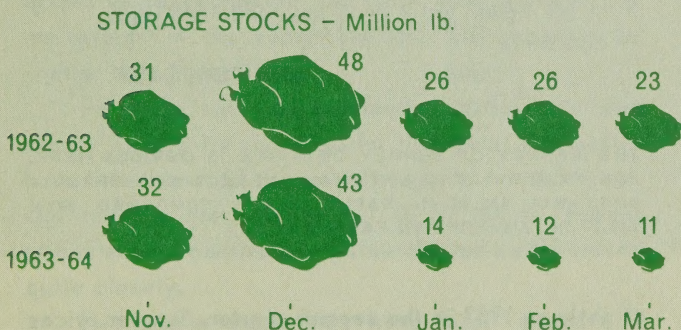
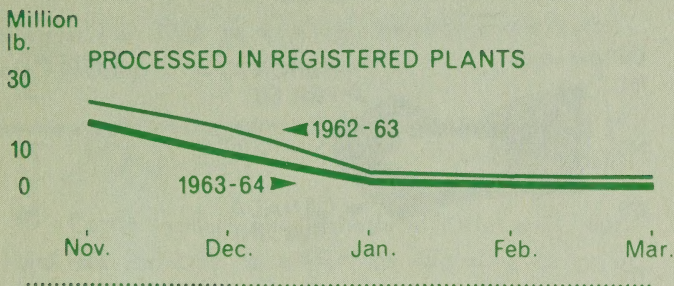
Broilers processed at registered plants in the first 10 weeks of 1964 were 10 million pounds more than a year earlier. Stocks almost tripled and placements were up.

Last summer, returns to producers were maintained in the face of high production. It is unlikely, however, that increases in demand will be sufficient to maintain returns to producers this summer.

Prices for HEAVY TURKEY will be on the high side this summer because of the much smaller Canadian supply, but will be tempered by U.S. prices.

In the first two months of this year, turkeys of 16 pounds and over had dropped to one-third the number processed a year earlier, and stocks were down on March 1 (see chart). Prices at London

HEAVY TURKEY



THE NUMBER OF HEAVY TURKEYS PROCESSED HAS DROPPED AND STOCKS HAVE DWINDLED, GIVING A BOOST TO PRICES THIS YEAR.

averaged 27.5 cents a pound compared with 23 cents in February 1963.

BROILER TURKEY poultz placed on farms in late 1963 and early 1964 point to an ample supply, but prices may stay higher than last year's due to limited supplies of heavy turkey.

HOGS

Hog prices have been \$2 to \$3 a hundredweight below last year's but should equal or improve

HOGS: THE EFFECT OF SUPPLY ON PRICE



THE EFFECT OF SUPPLY ON PRICE IS OBVIOUS HERE. FOR EXAMPLE, THE NATIONAL AVERAGE FOR GRADE A HOGS WAS \$25.48 IN EARLY MARCH COMPARED WITH \$26.77 IN JANUARY AND FEBRUARY.

slightly on 1963 in the second quarter. Summer prices will be higher but not as high as last year. Gradings are expected to average 133,200 weekly in the April-June quarter, nine percent more than in 1963.

An average of 143,000 hogs a week were marketed in the first 11 weeks, up 15 percent from a year before. Eastern marketings jumped 14.5 percent and Western 17 percent.

Intentions to farrow for December to May were 8.8 percent higher at December 1 than a year earlier: 2.5 percent more in the East and 20 percent more on the Prairies. Late summer and fall marketings should average 135,000 a week, up considerably from a year before.

Pork imports were smaller during the first quarter than a year ago. Exports were larger, and for the first time in over a year exceeded imports by a small

margin. For 1964 as a whole, imports and exports are expected to be almost equal.

CATTLE

Cattle feeders should have a fairly good year, and are unlikely to suffer the big drop in price experienced last spring. The slightly rising trend in prices is expected to continue into summer, as marketings in the second quarter will probably be lighter than in the first.

Prices of both fed and feeder cattle have been steady to slightly rising so far this year. Fed cattle have been about \$1 a hundredweight above last year, and feeders and stockers \$1 to \$2 below. Feeder prices should continue to follow the fed cattle trends quite closely.

Fed cattle marketings have been almost 10 percent above last year, increasing mostly in the good and choice grades. These grades averaged 24,000 head a week for the first 11 weeks and should stay above 20,000 for several months, as the heavy placements of feeders seem to be continuing.

The price differential for fed cattle favored the United States in late February and March, and, as a result, several carloads of cattle were imported. This differential should disappear by May. Feeder exports have been only about 35 percent of last year's but should pick up slightly in the spring and summer.

Beef imports have changed little from 1963, while exports (of boneless beef) have risen almost 30 percent and should continue to rise, with prices expected to go up in the U.S. during the April-June period.



Veal calf marketings have been almost six per cent higher in Eastern Canada and the heavy seasonal run should continue up to the end of May. Western marketings have been slightly smaller and little change is expected. Prices will move downward until June, but will probably not drop more than \$2 a hundredweight below the price of \$31.60 on March 14.

SHEEP AND LAMBS

Seasonally light marketings of lamb this spring should result in rising prices until July, but at levels about \$2 a hundredweight lower than last year.

In the first 11 weeks of 1964, the slaughter increased by almost four percent over 1963. This larger slaughter is expected to continue for several weeks as more lambs were placed on feed last fall.

WHEAT

Buoyant prices, record exports and an expected record acreage - this sums up the wheat situation.

No. 1 Northern, basis the Lakehead, averaged \$2.08 a bushel in March. It is the highest Canadian price ever quoted under the International Wheat Agreement, and 12 percent more than the March 1963 average.

Exports of wheat and flour will set an all-time record of 575 million bushels for the year ending July 31. But exports for 1964-65 will probably revert closer to the normal level.

The largest wheat acreage in our history is ahead. At March 1, producers intended to seed 29 million acres of all classes of wheat. If yields average 20 bushels an acre, as over the past 10 years, the crop will be 580 million bushels.

Spring wheat acreage (excluding durum) will be 26.6 million, according to farmers' intentions. This is 1.6 million acres above 1963 plantings. The intended durum wheat acreage is just over 2 million, 5 percent below last year's. With an average yield, this would mean a continuation of the oversupply of the past two years.

FEED GRAINS

Up to April 1, feed grain prices were steady but below the level of a year earlier. They are expected to remain so. Prices may be somewhat stronger in the coming crop year.

At March 1, farmers planned to sow about five percent less oats and barley than last year, but the

amount of mixed grains should be unchanged. Grain corn acreage may increase by 10 percent for a new record. With average growing conditions, the intended acreages would yield about 12 million tons of feed grains compared with 15.3 million in 1963, when average yields were exceptionally high. The 1957-61 average was 12.5 million tons.

Carryover stocks in all positions should be somewhat smaller and farm stocks will be well distributed.



POTATOES

Planting intentions point to a further decline in potato acreage in the principal producing areas of Canada. Based on average yields, and if intentions

are carried out, a manageable crop of 38 million hundredweight will be forthcoming.

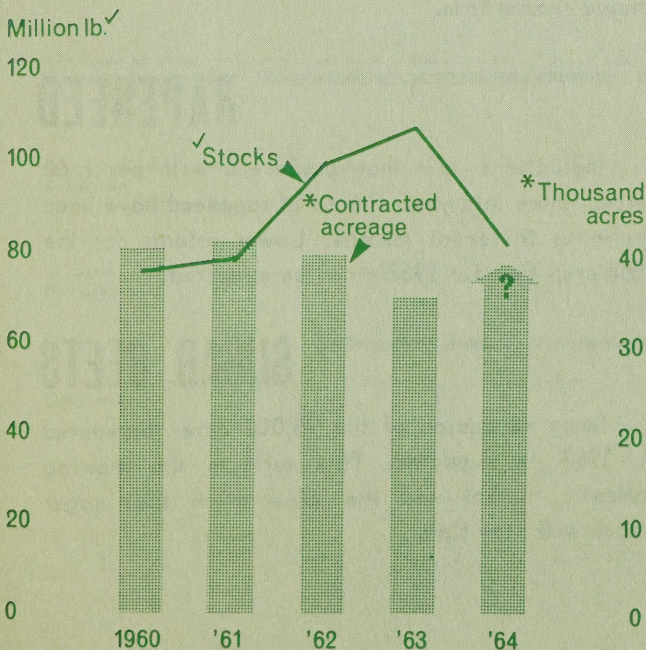
CANNING CROPS

Many things can effect the acreages under contract for canning crops, but existing stocks of vegetables, canned and frozen, seem to make the most difference. This is illustrated by the chart, which gives corn as an example.

This season's contracted acreages are expected to be higher because last season's poor weather

CORN SHOWS HOW EXISTING STOCKS INFLUENCE THE ACREAGES UNDER CONTRACT FOR CANNING CROPS. SIMILAR PATTERNS COULD BE DRAWN FOR TOMATOES, PEAS AND BEANS.

CORN: CANNED AND FROZEN



reduced the pack of most vegetables. Present stocks are low, except for beans.

SOYBEANS

The acreage will be up in 1964. Canadian prices depend largely on those in the United States, where record plantings are indicated.

FLAXSEED

The average flaxseed yield in 1963 was the highest since 1916, but such a yield is unlikely twice in succession. If the 1956-60 average of 8.5 bushels an acre prevails, the crop will be 16 million bushels.

At present price levels, Canadian flaxseed is fully competitive on world markets, and prices should remain firm.

RAPESEED

Indications are that producers will plant 60 percent more this year. Prices of rapeseed have been declining in recent months. Lower returns for the 1964 crop than for 1963's can be expected.

SUGAR BEETS

Some expansion of the 95,000 acres harvested in 1963 is expected. This reflects the growing domestic market and the expectation that sugar prices will stay firm.

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